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Filing date: **12/14/2011**

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	92054468
Party	Defendant Michael J. McKelvey dba Aquarobic International
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Submission	Answer and Counterclaim
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Signature	/Tara A. Branscom/
Date	12/14/2011
Attachments	Answer and Counterclaim.pdf (15 pages)(2355150 bytes)

Registration Subject to the filing

Registration No	2056978	Registration date	04/29/1997
Registrant	Aqua-Aerobic Systems, Inc. 6306 N. Alpine Road P.O. BOX 2026 Rockford, IL 61103 UNITED STATES		
Grounds for filing	The registration was obtained fraudulently.		

Goods/Services Subject to the filing

Class 007. First Use: 1981/03/04 First Use In Commerce: 1981/03/04 All goods and services in the class are requested, namely: mechanical mixers used in industrial and municipal waste water treatment
Class 011. First Use: 1970/03/00 First Use In Commerce: 1970/03/00 All goods and services in the class are requested, namely: waste water treatment systems comprised of aerators, mixers, diffusers, filters, and water cooling units; granular and cloth media filters used in industrial and municipal waste water treatment; contained flow floating mechanical aerators used in industrial and municipal waste water treatment

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

AQUA-AEROBIC SYSTEMS, INC.

Petitioner,

v.

MICHAEL J. McKELVEY d/b/a
AQUAROBIC INTERNATIONAL,

Registrant.

Cancellation No. 92054468

Registration No. 3858155

MICHAEL J. McKELVEY d/b/a
AQUAROBIC INTERNATIONAL

Counter-Petitioner,

v.

AQUA-AEROBIC SYSTEMS, INC.,

Counter-Registrant.

Registration No. 2056978

ANSWER AND COUNTERCLAIM

Michael J. McKelvey d/b/a Aquarobic International (“Registrant”), by counsel, submits the following Answer and Counterclaim to the Petition for Cancellation filed by Aqua-Aerobic Systems, Inc. (“Petitioner”).

ANSWER

1. Registrant is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph one and therefore denies the same.
2. Registrant admits the allegations contained in paragraph two.
3. Registrant admits the allegations contained in paragraph three.
4. Registrant admits the allegations contained in paragraph four.

5. Registrant admits the allegations in paragraph five. Registrant filed its trademark application and Statement of Use *pro se*. These documents contain inadvertent and innocent errors. The owner of the mark AQUAROBIC INTERNATIONAL is Aquarobic International, Inc., and not Michael J. McKelvey d/b/a Aquarobic International. The mark is used in connection with a self-contained wastewater treatment system in International Class 011 and not treatment of waste water in Class 040. And the dates of first use—both anywhere and in commerce under §1(a) of the Trademark Act, 15 U.S.C. §1051(a)—are at least as early as 1992. The term AQUAROBIC was used both anywhere and in commerce under §1(a) of the Trademark Act, 15 U.S.C. §1051(a)—at least as early as October 13, 1978.

6. In response to the allegations in paragraph six, Registrant avers that the documents speak for themselves. To the extent the allegations contained in paragraph six are inconsistent with the referenced documents, Registrant denies those allegations.

7. In response to the allegations in paragraph seven, Registrant avers that the documents speak for themselves. To the extent the allegations contained in paragraph seven are inconsistent with the referenced documents, Registrant denies those allegations.

8. In response to the allegations in paragraph eight, Registrant clarifies its dates of first use as set forth in paragraph five hereof. Registrant denies the remaining allegations in paragraph eight.

9. In response to the allegations in paragraph nine, on information and belief, Registrant avers that Petitioner commenced use of AQUA-AEROBIC after March 1970. Registrant is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations contained in paragraph nine, and therefore denies the same.

10. Registrant is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph ten, and therefore denies the same.

11. In response to the allegations in paragraph eleven, Registrant admits that Petitioner is the listed owner of Registration No. 2,056,978, which issued on April 29, 1997, for “mechanical mixers used in industrial and municipal waste water treatment” in Class 7 and “waste water treatment systems comprised of aerators, mixers, diffusers, filters, and water cooling units, granular and cloth media filters used in industrial and municipal waste water treatment, contained flow floating mechanical aerators used in industrial and municipal waste water treatment” in Class 11. On information and belief, Registrant avers that Petitioner commenced use of AQUA-AEROBIC after March 1970. Registrant is without knowledge or information sufficient to form a belief as to the truth of the remaining allegations contained in paragraph eleven of the Petition for Cancellation, and therefore denies the same.

12. Registrant admits the allegations contained in paragraph twelve.

13. Registrant is without knowledge or information sufficient to form a belief as to the truth of the allegations contained in paragraph thirteen of the Petition for Cancellation, and therefore denies the same.

14. In response to the allegations in paragraph fourteen, Registrant avers that AQUAROBIC INTERNATIONAL was in use—both anywhere and in commerce under §1(a) of the Trademark Act, 15 U.S.C. §1051(a)—at least as early as 1992. Registrant further admits that Aquarobic International, Inc., was incorporated in Virginia in April 1992 and that Mr. McKelvey became listed as an officer of the company between March 30, 2009, and November 24, 2010. Registrant denies the remaining allegations in paragraph fourteen.

15. In response to the allegations in paragraph fifteen, AQUAROBIC INTERNATIONAL was in use—both anywhere and in commerce under §1(a) of the Trademark Act, 15 U.S.C. §1051(a)—at least as early as 1992, and AQUAROBIC was in use—both anywhere and in commerce under §1(a) of the Trademark Act, 15 U.S.C. §1051(a)—at least as early as October 13, 1978.

16. In response to the allegations in paragraph sixteen, Registrant avers that the documents speak for themselves. To the extent the allegations contained in paragraph sixteen are inconsistent with the referenced documents, Registrant denies those allegations.

17. In response to the allegations in paragraph seventeen, Registrant avers that the documents speak for themselves. To the extent the allegations contained in paragraph seventeen are inconsistent with the referenced documents, Registrant denies those allegations.

18. In response to the allegations in paragraph eighteen, Registrant admits that the Aquarobic Registration contain inadvertent and innocent errors. Registrant denies the remaining allegations in paragraph eighteen.

19. On information and belief, Registrant denies the allegation contained in paragraph nineteen of the Petition for Cancellation.

20. Registrant denies each and every allegation in paragraph twenty.

21. Registrant denies each and every allegation in paragraph twenty-one.

22. Registrant denies each and every allegation in paragraph twenty-two.

AFFIRMATIVE DEFENSES

The Petition for Cancellation is subject to the following Affirmative Defenses:

First Affirmative Defense—Fraud and Unclean Hands

1. Petitioner bases its Cancellation proceeding on Registration No. 2,056,978, which issued on April 29, 1997.
2. At the time Petitioner applied for that Registration, however, it was aware of the AQUAROBIC mark's existence and prior use. Indeed, Petitioner had previously issued a cease-and-desist letter to Registrant, asserting that AQUAROBIC and AQUA-AEROBIC so resemble one another when used in connection with wastewater treatment systems as to be likely to cause confusion, mistake or deception in the marketplace.
3. Notwithstanding this knowledge, Petitioner's application to register the AQUA-AEROBIC mark falsely stated that—to the best of Petitioner's knowledge and belief—no other person, firm, corporation, or association had the right to use its mark in commerce, either in the identical form thereof or in such near resemblance thereto as to be likely, when used on or in connection with the goods/services of such other person, to cause confusion, or to cause mistake, or to deceive.
4. This was a false representation of material fact. Petitioner knew of Registrant's prior and coexisting use and rights in its AQUAROBIC mark(s) at the time Petitioner signed the oath to its application for federal registration of AQUA-AEROBIC. But Petitioner intentionally failed to disclose this fact to the U.S. Patent and Trademark Office. It did this in order to obtain a federal registration of its mark.

5. Petitioner's fraud invalidates the AQUA-AEROBIC registration on which Petitioner bases its cancellation Petition, and also constitutes unclean hands.

Second Affirmative Defense—Estoppel

1. Registrant anticipates that Petitioner may attempt to excuse the representations in its application to register the AQUA-AEROBIC mark by saying that there was no likelihood of confusion, mistake, or deception as between the marks.

2. To the extent that Petitioner attempts to defend its prior actions in this manner, it should be estopped in the present proceeding from claiming any likelihood of confusion, mistake, or deception as between the marks.

Third Affirmative Defense—Partial Modification of Registration

1. As noted above, Registrant applied for the AQUAROBIC registration *pro se*.

2. Modification of the Registration is necessary to correct certain technical deficiencies. In particular, the owner of the mark AQUAROBIC INTERNATIONAL is Aquarobic International, Inc., not Michael J. McKelvey d/b/a Aquarobic International. The mark is used in connection with a self-contained wastewater treatment system in International Class 011 and not treatment of waste water in Class 040. And the dates of first use—both anywhere and in commerce under §1(a) of the Trademark Act, 15 U.S.C. §1051(a)—are at least as early as 1992.

3. Modification will avoid any likelihood of confusion with AQUA-AEROBIC. In the alternative, Registrant asks that any cancellation of its registration be declared to be without prejudice to the right of AQUAROBIC's owner, Aquarobic International, Inc., to file an application for registration of the AQUAROBIC INTERNATIONAL and related marks.

COUNTERCLAIM TO CANCEL PETITIONER'S REGISTRATION

Registrant Michael J. McKelvey d/b/a Aquarobic International ("Registrant"), by counsel, hereby petitions to cancel Registration No. 2,056,978—owned by Petitioner Aquarobic Systems, Inc. ("Petitioner")—on the basis of fraudulent procurement. In support of its Counterclaim, Registrant states as follows:

1. Aquarobic International, Inc. ("Aquarobic International") is a Virginia corporation having its principal place of business at 5800 Prilliman Switch Road, Ferrum, Virginia 24088.
2. Aquarobic International is the successor in interest to Aquarobic Limited.
3. Aquarobic Limited, in turn, is the successor to Waltec Industries Limited's ("Waltec's") assets related to its Aquarobic wastewater-treatment-products business. These rights included all associated intellectual property rights.
4. Waltec filed a trademark application in Canada for AQUAROBIC on July 16, 1971. Waltec established a first use date in Canada on October 31, 1972, and a Canadian registration issued on November 24, 1972.
5. Waltec began selling under the AQUAROBIC mark in the United States through U.S. distributors, including James Steffey and his business Aquarobic USA, Ltd.
6. Waltec's first use in commerce of AQUAROBIC in the United States occurred at least as early as October 13, 1978, as evidenced by a permit relating to a wastewater treatment system in Loudoun County, Virginia. A copy of this permit is attached hereto as Exhibit 1.
7. In 1980, Daniel Pavon formed the Ontario company, Aquarobic Limited, and purchased the assets—including intellectual property rights—of Waltec's Aquarobic business for

both Canada and the United States. Aquarobic Limited continued to sell wastewater treatment systems under the AQUAROBIC mark in Canada and the United States.

8. On April 21, 1992, Pavon reorganized the Aquarobic Limited business under a corporation with the name Aquarobic International, Inc. (“Aquarobic International”), which was incorporated in Virginia. All of the assets, including intellectual property rights, transferred to Aquarobic International.

9. In 2009, Michael J. McKelvey acquired all of the shares of Aquarobic International from Pavon. McKelvey is the current President of Aquarobic International. Aquarobic International continues to sell wastewater treatment systems under the AQUAROBIC mark in the United States.

10. Aquarobic International is the successor in interest to common-law trademark rights in the United States in the mark AQUAROBIC in connection with wastewater treatment systems dating back to at least as early as October 13, 1978.

11. Between 1990 and 1992, Petitioner contacted Registrant, which at that time was owned and operated by Pavon in the United States and Canada.

12. Petitioner alleged infringement of its common-law rights in the mark AQUA-AEROBIC.

13. Registrant denied the infringement allegations and confirmed its preexisting rights in its AQUAROBIC mark(s), which it believed were superior to Petitioner’s rights in its mark AQUA-AEROBIC.

14. This was presumably to the satisfaction of Petitioner because Petitioner sent no further correspondence to Registrant.

15. On January 22, 1996, Petitioner filed an application for the mark AQUA-AEROBIC in International Class 007 for “mechanical mixers used in industrial and municipal waste water treatment” with an alleged first use date of March 1981, and International Class 011 for “waste water treatment systems comprised of aerators, mixers, diffusers, filters, and water cooling units; granular and cloth media filters used in industrial and municipal waste water treatment; contained flow floating mechanical aerators used in industrial and municipal waste water treatment” with an alleged first use date of March 1970, Serial No. 75046341.

16. There is no indication that the AQUA-AEROBIC mark was used in interstate commerce in the United States since the alleged date of first use, or that the AQUA-AEROBIC mark was in continuous use since that date. In fact, Petitioner’s website indicates that Petitioner’s predecessor in interest manufactured “AQUA-JET” beginning in 1969 and did not legally adopt the name “Aqua-Aerobic Systems, Inc.” until 1976.

17. Petitioner’s registration for the mark AQUA-AEROBIC issued on February 4, 1997, Registration No. 2056978 (“AQUA-AEROBIC Registration”).

18. Petitioner renewed its registration for the mark AQUA-AEROBIC on March 22, 2007 and filed for incontestability under 15 U.S.C. § 1065.

19. As required by Section 1(a)(3) of the Lanham Act when filing and renewing a trademark application with the U.S. Patent and Trademark Office, Petitioner, by and through its agent, signed a declaration stating that: “to the best of the verifier’s knowledge and belief, no other person has the right to use such mark in commerce either in the identical form thereof or in such near resemblance thereto as to be likely, when used on or in connection with the goods of such other person, to cause confusion, or to cause mistake, or to deceive.”

20. The Lanham Act imposes a duty to not make knowingly inaccurate or knowingly misleading statements in a verified declaration forming part of an application.

21. Further, even an incontestable mark may be contested on the basis of fraud under 15 U.S.C. § 1115(b)(1).

22. Petitioner knew at least as early as 1992 that Registrant or its predecessor was using—and had prior and co-existing common-law rights to use—the mark AQUAROBIC in commerce in connection with the sale of wastewater treatment systems. This was four years before Petitioner filed its application for the mark AQUA-AEROBIC.

23. Petitioner had expressed its belief that the AQUAROBIC marks were confusingly similar to its AQUA-AEROBIC mark, having sent a cease and desist letter to Registrant.

24. It also knew that Registrant had rejected its infringement allegations and that Registrant had continued to use the AQUAROBIC mark(s).

25. Nevertheless, Petitioner falsely asserted in its application for registration of AQUA-AEROBIC that to the best of its knowledge and belief no other person, firm, corporation, or association had the right to use its mark in commerce, either in the identical form thereof or in such near resemblance thereto as to be likely, when used on or in connection with the goods/services of such other person, to cause confusion, or to cause mistake, or to deceive. Petitioner's false assertion was made with an intention to deceive the U.S. Patent and Trademark Office in order that it might obtain a federal registration of its mark.

26. Thus, Petitioner fraudulently procured and maintained its AQUA-AEROBIC Registration within the meaning of the term as used in Section 14(3) of the Lanham Act by

willfully withholding material information from the U.S. Patent and Trademark Office with an intent to deceive the U.S. Patent and Trademark Office.

27. If Petitioner is permitted to retain its AQUA-AEROBIC Registration, Registrant believes it will be damaged because it may prevent Registrant from registration of its marks.

28. If Petitioner is permitted to retain its AQUA-AEROBIC Registration, Registrant believes it will be damaged because it may subject Registrant to infringement allegations and an infringement suit.

WHEREFORE, Registrant deems that it has been or will be damaged by the AQUA-AEROBIC Registration and petitions for cancellation thereof.

The Commissioner for Trademarks is hereby authorized to deduct the \$600 filing fee and any additional fees relating to the filing of this Counterclaim to Cancel Petitioner's Registration from Deposit Account No. 501563.

Respectfully submitted,

Dated: December 14, 2011

By:



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Counsel for Registrant

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing was served by electronic mail and regular mail, postage prepaid, on counsel for Petitioner Aqua-Aerobic Systems, Inc., this 14th day of December, 2011, addressed as follows:

Robert A. Vitale, Jr., Esq.
Niro Haller & Niro
181 West Madison, Suite 4600
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Counsel for Petitioner



Exhibit 1

ATTN
Tara

From: Daniel Pavon <danpavon@gmail.com>
Subject: Permit
Date: November 30, 2011 4:43:15 PM EST
To: dmangus@aquarobicinternational.com
1 Attachment, 475 KB Save

PERMIT TO INSTALL ☐ REPAIR ☒ REASONS FOR REJECTION ☐ 1018 (1)
WATER SUPPLY ☒ SEWAGE DISPOSAL SYSTEM ☒ Lots 14

(1) Valid for (1) twelve months (2) A permit shall be cancelled when site conditions are changed from those shown on permit. 15
(3) A permit shall be voided when it is known that a potential hazard would be created by continuing installation.

PHA/VA ☐ Yes ☐ No Date: 10/13/78 Case No. 611REZ8

Owner: John R. Smith Address: Rt. 1, Box 109, Aldie, Va. 22001, 327-6952
Applicant: Aquarobic USA Address: Phone: 703-478-0155
Exact Location of premises: Rt. 15 (s) (1) on Rt. 50 (1) on 659 3/4 mi to right on gravel rd. just before fire station on right.

FOR: ☒ Dwelling ☐ Other Automatic Waste Machine ☒ Yes ☐ No
Actual ☐ Potential ☒ Body only ☐ Garbage Disposal Unit ☒ Yes ☐ No Consumption: 600 gal. per day
Additional wastes: Dishwasher

(1) WATER SUPPLY: Existing Class III Approved ☒ Yes ☐ No Other ☐
(To be installed) Class III ☐ Class II ☐ Class I ☐ It to be grouted ☐ It.

(2) SOIL STUDY: Naturally drained, suitable by right ☐ Yes ☒ No Technical Classification: RFW/E. D. Simons/BSV
Estimated Percolation Rate: 1-10 ☐ 11-25 ☐ 26-50 ☒ > 51 ☐ Percolation Test Required ☐ Yes ☒ No Rate: _____
(Minutes per inch) (Minutes per inch to nearest 10 minutes)
Depth to Grey Mortar: 12 inches (test area over 4 ft.) OTHER: surface drainage required to divert overland
Surface drainage required ☐ Yes ☒ No OTHER DRAINAGE: flow uphill from mound

(3) HOUSE SEWER LINE Size: PL Code _____ Type of material required: PL Code _____ Distance from Water Supply: 35+ feet.

(4) DETAILS OF CONSTRUCTION: Watertight Septic Tank of _____ See attached specifications _____ Capacity: _____ gallons.
Inside Dimensions: Length _____ feet. Width _____ feet. Liquid Depth _____ feet. Depth of Air Space _____ feet.

SUBSURFACE ABSORPTION FIELD: Number of square feet required: _____ Type aggregate required: _____

(5) Depth of aggregate from base of tile to bottom of ditches: _____ inches. Allowable fall: _____ inches.
Total aggregate minimum depth: _____ inches or more. Depth of drainfield to be _____ inches from surface of original ground.
Distance from well to septic tank: 50 feet; distance from well to disposal: 100 feet.

Rough Sketch of Premises (including adjacent properties if pertinent, showing location of Lot Line, Buildings, Water Supplies, Sewage Disposal Systems, Trees, and Other Possible Sources of Contamination of Water Supplies, by Indicating Distances and Slope with regard to one another.

This permit is issued to upgrade the existing sewage disposal facilities where a conventional septic system has failed. Extensive field work has indicated that there is virtually no chance of a conventional repair system operating satisfactorily. By accepting this permit, the owner acknowledges and agrees: (1) that this is an experimental sewage disposal system and that no guarantee of performance is implied in any way by the County of Loudoun, the Commonwealth of Virginia, or any of their employees. (2) That he has sole responsibility for the sanitary maintenance and operation of the system in a way such that no public health hazard or nuisance occurs. (3) That he and his immediate family will be the sole occupants of the single family dwelling to be served by this system. (4) That upon transfer of the property, any subsequent owner will be made aware of the nature of the sewage disposal system and conditions specified hereon. (5) That the Loudoun County Health Department or its duly authorized representatives shall have permission to inspect and sample the sewage disposal at reasonable hours as they deem necessary. (6) That following the ten year warranty period of this system, a service contract will be purchased from Aquarobic, U.S.A., or other Health Department approved service representatives. (7) Based on the above, this permit for an Aquarobic Home Sewage Treatment System is issued per plan view, section, which are considered part of this permit. Aquarobic USA must provide written certification that the system has been installed in accordance with their approved specifications prior to start up of the system and house occupancy.

Owner: _____ Loudoun County

777-0234

510-3050